

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

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| THE KENTUCKY PUBLIC SERVICE COMMISSION |) | |
| vs. |) | |
| DELTA NATURAL GAS COMPANY, INC. |) | CASE NO. 8744 |

SHOW CAUSE ORDER

Commission regulation 807 KAR 5:006, Section 23, requires each utility to notify the Commission of any accident on its facilities which results in death or serious injury to any person or substantial property damage. Federal pipeline safety regulation 49 CFR 191.5 also requires notice of certain leaks on utility facilities. These requirements have been further defined in a letter dated August 3, 1982, from Mr. Richard D. Heman, Jr., Secretary of the Public Service Commission, to all gas utilities subject to Commission jurisdiction. This letter requires telephonic notice at the earliest possible moment (not to exceed two hours) following discovery of accidents or emergencies which result in death or personal injury, gas igniting unintentionally, damage to property (\$5,000), unscheduled outage for 25 or more customers for four or more hours*, any expected short-fall that will result in an unscheduled curtailment or any curtailment of Priority I (Residential)* and any other significant occurrence (newsworthy).

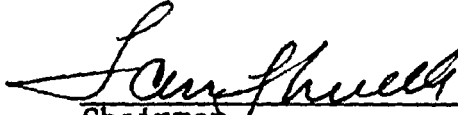
* Public Service Commission regulation 807 KAR 5:021, Sec. 18(1).

On November 26, 1982, and December 9, 1982, incidents occurred in the service area of Delta Natural Gas Company, Inc., ("Delta") which were not reported to the Commission within the specified time frame. On November 26, 1982, a customer's home in Williamsburg, Kentucky, was totally destroyed by fire. News reports indicated natural gas as the probable cause. This Commission was notified by Delta on December 9, 1982. An incident on December 9, 1982, at Manchester, Kentucky, resulted in three fatalities. Notification of this incident was also late.

IT IS THEREFORE ORDERED that Delta shall appear at the offices of the Public Service Commission in Frankfort, Kentucky, on the 31st day of January, 1983, at 11 a.m., E.S.T., to show cause, if any it can, why it should not be subject to penalties prescribed under KRS 278.992 for failure to properly notify the Commission of these accidents.

Done at Frankfort, Kentucky, this 20th day of December, 1982.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Secretary